

Reference Number: 400-11-DD

Title of Document: Payroll Accountability

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Applicability: All DDSN State Employees

The language used in this policy does not create an employment contract between the employee and the Department of Disabilities and Special Needs (SCDDSN). **SCDDSN reserves the right to revise the contents of this policy, in whole or in part.**

PURPOSE:

This directive establishes procedures to ensure that persons involved in the preparation of documents to process payroll transactions will have controlled access to completed payroll checks and that employee paychecks/stubs are secured and safeguarded until they are distributed to the individual employee. Each regional human resource management (HRM) director is responsible for the implementation of these requirements.

BACKGROUND

The Department's Personnel Services System (PSS) was developed and implemented as an on-line, real time system in January 1984, with the capability of quick capture and retrieval HRM/payroll information. Access authority is assigned by the regional HRM director to support persons relative to all of the on-line programs included in the Personnel Services System.

The PSS is designed to generate a daily transaction report detailing the previous day's payroll changes, the person's name who keyed the payroll changes and their identification number. The daily transaction report is then compared by the HRM staff to the original source documents by someone other than the person who keyed the payroll changes from the Request for Personnel Action (P-40). The transaction reports are then filed in suspense until the end of the payroll cycle. The payroll data is then compared by the respective staff person with the division control totals for balancing purposes. Once the totals are verified, the Certification Document which attests that the payroll is balanced, is signed by the HRM director and forwarded to Central Office Finance Division.

RESPONSIBILITIES

The Director of Finance, Department of Disabilities and Special Needs, will ensure that employee paychecks/stubs are delivered to the respective regional HRM offices in a safe and secure manner.

The HRM office will sort and account for paychecks/stubs by the payroll location code. Each location code will contain only one shift.

Employee designated to pick up payroll checks/stubs from HRM will be responsible for the distribution and for the accounting of paychecks/stubs after they have been picked up from the HRM office.

All employees are required to have their South Carolina Department of Disabilities and Special Needs (SCDDSN) identification card available whenever they are on duty. Positive identification will be required before a paycheck/stub is given to the employee. The SCDDSN identification card will be used for this purpose when necessary.

Employees who distribute paychecks/stubs are required to exercise due care in securing their paychecks/stubs. Failure to do so may result in disciplinary action.

PROCEDURE FOR PAYROLL CHANGES

- A. The Personnel Action Form (P-40) must be submitted to the HRM office for processing. It is to be completed and approved by the employee's supervisors. The HRM section will examine the P-40 for accuracy and completeness. The P-40 will be initialed or signed by the person in HRM who verifies the accuracy.
- B. P-40s then shall be forwarded to those persons in HRM designated to process HRM/payroll changes using the respective on-line program in the Personnel Services System.
- C. Payroll changes shown on the Daily Transaction Report will be verified by someone other than the individual who keyed the data. All daily transactions will be compared to the P-40 (source document) for accuracy and approval by the proper HRM official.

At the end of the payroll cycle, the Division Control Totals are requested by HRM and used to balance the payroll. This should be done by an individual other than the person responsible for making payroll changes on the account file. Next, a Certification Document listing employees by fund is printed; the Certification Document shows employees assigned by division and the amount of semimonthly pay for the pay period. This information must be certified as the correct payroll by the HRM director.

TERMINAL LEAVE PAYOUT

Leave balances will be verified for all employees receiving terminal leave payout. Verification of accuracy of amount of terminal leave for which the employee is to be paid must be made by the person who certifies the payroll. Verification will include a review of the employee's leave balances as indicated on the automated leave program. Also included will be a review of the individual's annual and hourly salary rates contained in the employee's personnel file.

PROCEDURE FOR CHECK DISTRIBUTION

- A. The employee within the HRM office designated to handle payroll check/stubs must be someone who does not have access to make payroll changes.
- B. The Program Administrator/Department Head shall designate in writing (Attachment A) a primary and alternate person to receive the paychecks/stubs from the HRM office. Paychecks/stubs will be released only to those persons designated. Persons picking up paychecks/stubs from HRM must be someone other than persons processing and/or approving P-40s and timekeepers.

- C. The designated employee shall sign the "Paycheck/Stub Distribution Log" (Attachment B) for the number (quantity) of paychecks/stubs by location code. This person will be responsible for ensuring that paychecks/stubs are routed via authorized personnel to individual employees. Accountability of paychecks/stubs by number will be maintained until delivered to the employee.
- D. The employee responsible for distributing paychecks/stubs to the individual employees will sign for the number of paychecks/stubs received from the person designated in Item C above. The "Employee Paycheck/Stub Routing Slip" (Attachment C) will be used for this purpose. Paychecks/stubs will be delivered personally by authorized personnel to the individual employee and any undelivered items will be returned to the HRM office and recorded on the routing slip.
- E. Paychecks/stubs that are not picked up at the locations by 4:30 p.m. on payday will be returned by the designated person along with the "Routing Slip" to the HRM office and be recorded in the "Paycheck/Stub Distribution Log." Third shift paychecks/stubs will be returned by 9:00 a.m. following distribution.
- F. Employees who had not previously received their paychecks/stubs may pick them up from the HRM office. The HRM office will maintain a "Paycheck/Stub Release Record" (Attachment D) showing the distribution of these checks/stubs.
- G. Paychecks/stubs not picked up within thirty (30) days will be returned to the Director of Finance, Department of Disabilities and Special Needs, at the Central Office. The Director of Finance is then responsible for final disposition of any paychecks/stubs which are returned as undeliverable.
- H. Paychecks/stubs which are in error must be returned to the Department of Disabilities and Special Needs, Director of Finance, within seventy-two (72) hours. The Director of Finance is responsible for returning inappropriate/inaccurate checks/stubs to the State Treasurer's Office and requesting necessary adjustments and the re-issuance of a new paycheck/stub.

RELEASE TO THIRD PARTY

When a paycheck is to be picked up by someone other than the employee, the employee shall initiate and submit to the HRM office a "South Carolina Department of Disabilities and Special Needs Authorization for Release of Paycheck to Third Party" form (Attachment E). This form along with the employee identification card will serve as authorization to release the paycheck. Only the HRM office shall distribute checks to third parties.

The third party picking up an employee's paycheck/stub must present positive identification before the paycheck/stub can be released.

In the event of an employee emergency, the HRM director may determine what authorization is necessary in lieu of the SCDDSN release form.

MISSING PAYCHECKS/STUBS

In the event that a paycheck is discovered to be missing, lost or stolen, the department head will immediately notify the HRM office, who in turn will notify the Director of Finance and the Internal Audit Department. Lost stubs should be reported to the HRM office who in turn will notify the Director

of Finance. Internal Audit need not be notified in cases where stubs are missing.

RETENTION

All forms used for paycheck/stub distribution control are considered temporary forms. These forms are to be retained by the regional HRM office for sixty (60) days and then destroyed.

Wayne D. Blanton
Director, Human Resources
and Legal Services
(Originator)

Stanley J. Butkus, Ph.D.
State Director
(Approved)

Attachments: [Authorization to Pick Up Paychecks/Stubs](#)